

Mayes calls for Prescott meeting of ACC to study natural gas prices, efforts

By KEN HEDLER

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PRESOTT VALLEY – Arizona Corporation Commissioner Kris Mayes on Tuesday called for the ACC to conduct a meeting on natural gas prices in response to a deluge of complaints from UniSource Energy Services customers in the tri-city area about their skyrocketing bills.

Mayes, a Prescott native, wrote a letter dated Tuesday to the four other commissioners calling for a meeting. She told The Daily Courier that she wants the meeting to take



place in Prescott – and soon. Arizona Corporation Commissioner Kris Mayes holds an order from the ACC approving a rate hike for UniSource Energy Services, which provides natural gas service to Yavapi County. Mayes, standing by a gas meter, is calling for the commission to hold a meeting to examine increased prices.

Courier/Jo. L. Keener

“Therefore, I believe it is time for the commission to hold an open meeting to inquire about what gas utilities in Arizona are doing to hold down the price of gas,” Mayes wrote commissioners Marc Spitz, William Mundell, Mike Gleason and Jeff Hatch-Miller.

“Although prices appear to be on the rise in many states, there are a number of mechanisms and resources that can be deployed by gas companies to protect consumers from the vagaries of the gas market.”

She also wrote a letter dated Monday to James Pignatelli, chairman, president and chief executive officer of Tucson Electric Power/UniSource, asking him to answer her questions related to the higher energy bills.

Pignatelli is planning to respond to Mayes’ letter, UniSource spokesman Joe Salkowski said.

“We are happy to answer the commissioners’ questions about our rates and we will be happy to talk to our customers,” Salkowski said. He said wholesale natural gas prices rose 70 percent in 2003.

Asked what she hopes the meeting will accomplish, Mayes said, “I don’t want to make false promises” about it leading to lower gas bills. “I think it could lead to better public

policy in the future and, hopefully, reduce natural gas prices over time.

"People have a right to know what led to these higher costs, and we are working on bringing them back to earth," she added.

Mayes, who was appointed to the ACC in October by Gov. Janet Napolitano after the resignation of Jim Irvin, said she expects the other commissioners to go along with her request. Mayes attended a meeting of the Republican Women's Club in Prescott and met with Prescott Mayor Rowle Simmons and other city officials Tuesday.

Gleason, the only commissioner available for comment before press time Tuesday, said he had seen Mayes' letter. "I'll have to have more information. Realize that these rates have been set for a long time and what is really driving this is the increase in the cost of natural gas. We have no control over that."

Mayes' call for the meeting drew praise from Prescott resident Jack McNealy, who faced a recent gas bill of \$196.53, up from \$125.93 for the same period a year ago.

"Well, I think it is nice to see somebody react to a situation that obviously is not fair," said McNealy, who is retired. "I hope it will accomplish a partial rollback in the rates."

Salkowski has said the rate hike that the ACC approved for UniSource in July 2003 raised rates an average of about 21 percent.

However, both Salkowski and Mayes explained that consumers also face a surcharge for a purchased gas adjustment (PGA) intended to recover \$7 million in costs that Citizens Communications did not collect from consumers. Citizens sold its gas and electric divisions to UniSource in July.

The ACC decision authorized a surcharge of 11.55 cents per therm for UniSource.

Salkowski said gas bills contain three portions reflecting gas costs: the PGA surcharge, the basic cost of service of 70.04 cents per therm and 10.43 cents for the PGA cost (part of the overall cost for gas).

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